

March 15, 2010

Making Work Pay Credit and Erroneous Refunds on ITIN Accounts

Issue

Taxpayers who filed original returns using ITINs (Individual Taxpayer Identification Numbers) and who did not file as married filing jointly, erroneously received the Making Work Pay and Government Retiree Credit, during processing cycles 4 through 7. IRS computed the Credit in error and issued an IRS CP Notice explaining that the taxpayer was eligible for the Credit.

Guidelines

Taxpayers who have earned income such as wages and income from self-employment and a valid Social Security Number are eligible for Making Work Pay Credit. Taxpayers who **do not** have a **valid** Social Security Number and who had a filing status other than married filing jointly **cannot** take the Making Work Pay Credit.

If the taxpayer receives a refund and a CP Notice explaining that the taxpayer was eligible for the Credit, apologize to the taxpayer for the mistake and for any inconvenience. Provide one of the explanations listed below, based on whether the check has or has not been cashed.

1. If the check **has not been cashed**, advise the taxpayer to write “void” in the endorsement area on the back of the check. Do not write on the front of the check. Advise the taxpayer to return the refund check, a copy of the CP Notice, and a note of explanation, so the Credit can be reversed.
2. If the check **has been cashed**, advise the taxpayer to return payment in the exact amount of the Credit, along with a copy of the CP Notice and a note of explanation to the address on the CP Notice, so the Credit can be reversed. No interest will be due until after April 15.

For more information, please go to www.irs.gov/newsroom. If you have any questions, please discuss them with your site coordinator, contact your local IRS SPEC relationship manager or email partner@irs.gov.

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